



U.S. Department of Justice

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July 29, 2005

FORMER OPERATOR OF GALENA RESTAURANT/BAR SENTENCED TO 13 MONTHS IN FEDERAL PRISON FOR EVADING MORE THAN \$131,000 IN FEDERAL INCOME TAXES

ROCKFORD -- PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois, together with BYRAM TICHENOR, Special Agent-In-Charge, Criminal Investigation Division, Internal Revenue Service, today announced:

United States District Judge Philip G. Reinhard today sentenced **RONALD J. KAHN**, 63 (DOB: 04/27/42), formerly of Galena, to 13 months in federal prison for evading a total of \$131,254 in federal income taxes for 1989 through 1991 in connection with his operation of Grant's Place Restaurant and Bar in Galena, Illinois. In addition, the court ordered Kahn to serve 3 years of supervised release following his release from prison.

On July 1, 2005, Kahn pled guilty in federal court to evading federal income taxes for tax year 1990. In pleading guilty, Kahn admitted that in 1990 he secretly skimmed receipts of Grant's Place and filed a false federal income tax return for that year that did not report the skimmed receipts as income. Kahn admitted that he secretly maintained a second set of books that recorded the skimmed receipts, and that he instructed his son to mislead the IRS during the investigation of the cash skimming. Kahn further admitted that he skimmed receipts from Grant's Place during 1989 and 1991, and filed false income tax returns for those years which did not report the skimmed receipts as income. In the plea agreement, Kahn admitted that in tax years 1989 through 1991, he failed to report a total of \$403,172 in skimmed receipts as income and evaded a total of \$131,254 in federal income taxes.

The case was investigated by Special Agents of Criminal Investigation Division of the Internal Revenue Service, and was prosecuted in United States District Court by Assistant United States Attorney **MICHAEL D. LOVE**.

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